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AUTHOR Charles, Richard F.
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ABSTRACT

The success or failure of an institution on a Finance or State Chancellor's Office audit can depend upon how well the college has maintained an audit trail, recording the total number of hours and students claimed, budget expenditures, average daily attendance generation, disability designations, and Individual Educational Plans. Adequate audit trail systems require: (1) housing and categorizing data, (2) recording changes in student status and course enrollment, (3) incorporating Assembly Bill 77 (AB77) funds into the income or expenditure procedures, (4) maintaining staff trained to understand the requirements of AB77, (5) providing commitment to handicapped program evaluation and audit, and (6) delegating specific responsibility for monitoring and reviewing procedures. To assure successful audits, De Anza College has developed an Audit Manual composed of information from the College's comprehensive plan and from key documents identified by the California Community Colleges' Chancellor's Office, including state laws, state guidelines, general college documents, program management documents, student information documents, and reporting documents. Updated information provided by all college segments is recorded in the manual on a daily basis, and required program management documents are altered each quarter to insure up-to-date job descriptions, personnel lists, and program assessment statements. (JP)

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# THE AUDIT MANUAL

## An Aid in the Maintenance of AB77 Audit Trail Material

Richard F. Charles

DE ANZA COLLEGE

1979

JC 800 039

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Finance and State Chancellor's office audit reports can be either very favorable or very disruptive to colleges. Much of the success or failure of an institution at "passing muster" on a given audit depends on how well the information required by the auditors is organized and the extent to which material is readily available.

Auditors usually face the task of trying to do and see too much within the limited time constraints of their visit. While most of them want to be fair, quite often their conclusions and formal findings are slanted towards personal opinions or pre-conditioning that they have received prior to the audit itself.

In most cases, lack of material pertaining to the audit trail becomes the problem of the institution not the auditors. The burden of proof exists with the college to demonstrate that records of 1) total numbers of hours and students claimed, 2) budget expenditures, 3) ADA generation, 4) disability designations, and 5) IEP's are available and complete for the period being audited.

For those who have never experienced an audit there is a sense of false security that can come from not having had to formally defend the use of monies dispensed under AB77 or the "in-house" accountability system used by the college.

The building and maintenance of an accurate and responsible audit trail system within complex programs is a difficult and expensive task. Auditors require verifiable proof in the form of records, either manual or computerized, for all aspects of the allocation process. Historical precedent can be sited

which demonstrates that all or portions of state allocated funds have been returned by colleges following unsuccessful audits of those institutions.

In some cases colleges have not paid proper attention to the establishment of a formal process which includes (1) housing and categorizing of data, (2) periodic updating and programming of changes in student status, cancellation of classes, etc., (3) refinement of income or expenditure processes to include or exclude dollars covered under AB77 funding, (4) staff and personnel specifically trained to maintain and understand the requirements of the AB77 funding rules and guidelines, (5) insufficient district or college commitment to general goals of handicapped program evaluation and audit, or more specifically, a lack of formal attention to the establishment and maintenance of a valid in-house process, and (6) specific responsibility to district or college in-house staff to monitor and review procedures.

The Chancellor's office has made the process of maintaining an audit trail easier by establishing a listing of key documents. Gary Graham, Fresno City College, has revised the "audit trail key documents list" presented by the Chancellor's office at inservice workshops during the 1978-79 school year. This list includes:

I. STATE LAWS:

1. AB 77
2. AB 2670
3. California Administrative Code, Title 5

II. STATE GUIDELINES:

1. Expenditure Guidelines for SS-1 and CCAF - 326 (September 8, 1978)

III. GENERAL COLLEGE DOCUMENTS:

1. A copy of all activities and services as identified in the college catalog. (56002)
2. A statement about the way that the college informs its staff of state compliance items. (56004)

3. A statement identifying how the college determines when a student's educational needs are met. (56004)
4. Student records must be available to the appropriate community college upon request, but need not be maintained at said college. (56019)
5. A copy of that section of the college's master plan which includes program planning for students with disabilities. (56058)

IV. PROGRAM MANAGEMENT DOCUMENTS:

1. A copy of the procedures for determining inadequacy of support services in regular classes. (56002)
2. A copy of the procedures for informing the general college population regarding the availability of support services and programs for students with disabilities. (56004)
3. A listing of the assessment tools used to identify a student's potential and learning abilities; social, emotional, academic, career competencies. (56006)
4. A copy of the procedure utilized by the college to generate and calculate ADA or its equivalent in special classes. (56010)
5. Copies of all credentials held by special education employed by the college to serve its population of handicapped students. (56048)
6. Copies of all position descriptions of special education personnel employed by the college; full-time, part-time, certificated, classified, paraprofessionals. (56048)
7. A copy of the college's plan for in-service training of personnel directly related to the program for students with disabilities. (56054)
8. A copy of the membership of the Advisory Committee for the program for students with disabilities and its purpose and functions. (56056)
9. A statement regarding the chief strengths of the college's program/services for students with disabilities. (56084)
10. A statement of major needed improvements for the college's program/services for students with disabilities and the actions required. (56084)

V. STUDENT IDENTIFICATION DOCUMENTS

1. A copy of the format used by the college to measure student progress. (56002)
2. A copy of the documentation used to identify the student's disability; describe the degree and progressional factors, and describe the limiting effects of the disability. (56019)
3. A copy of the format used to outline the student's individual educational plan (IEP). (56060)

VI. REPORTING DOCUMENTS

1. Copies of all CSS-SS-1 which have been submitted to the Chancellor's office. (56062)

2. A copy of the most current College Comprehensive Plan for the college's program/services for students with disabilities. (56064)
3. A copy of the evaluation report for the total program for students with disabilities. (56066)
4. A copy of the format used to identify the usage of direct excess cost funds by the college. (56066)
5. A copy of the certification that reasonable efforts have been made to secure federal and state funds in support of the program/services for students with disabilities. (56084)
6. A copy of the certification format utilized by the State Department of Rehabilitation for reporting the number of severely disabled students served; "Report of Severely Disabled Students" (Administrative Directive FOD 4-77-11; State Department of Rehabilitation). (56084)
7. A copy of the certification of compliance with the 1978-79 85% maintenance of effort mandate by the State in the Budget Act, Section 19.5, as submitted by the college/district to the State Chancellor's Office.

At De Anza College an Audit Manual composed of the above key documents and other information from the college's Comprehensive Plan plus additional information for the auditors has been developed. This Audit Manual organizes, in one place, all of the pertinent information relevant to the college's maintenance of an audit trail. (see appendix)

The manual maintains a historical accounting of state laws and guidelines. Updates in materials are made as often as information comes in. All programs funnel material into the office of the Dean of Special Education. The material is kept current on a daily basis by the secretary to the Dean of Special Education as an assigned job task. Required program management documents are altered each quarter to insure that job descriptions are current, that membership lists for Advisory Committee personnel are accurate, and that program assessment technology and statements from the Comprehensive Plan are consistent with present practices within the program.

The Audit Manual is written for the auditor and the program. The frequent updating of information and the constant attempt at maintaining program consistency with state mandated guidelines has resulted in high program audit marks in 1979.

The Audit Manual tells the auditor in precise language:

1. How the college is in compliance with student attendance accounting.
2. Where documentation of student attendance accounting takes place and where it is archived.
3. Who are those responsible for handicapped programming and those responsible for the maintenance of records and data.

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